

1 UNITED STATES BANKRUPTCY COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN FRANCISCO DIVISION

4 In re:

5 PG&E CORPORATION,

6 - and -

7 PACIFIC GAS AND ELECTRIC
8 COMPANY,

9 Debtors.

Bankruptcy Case

No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

- 10 ☐ Affects PG&E Corporation
11 ☐ Affects Pacific Gas and Electric Company
12 ☒ Affects both Debtors

Objection Deadline: February 25, 2020 at
4:00p.m. (Prevailing Pacific Time)

13 * All papers shall be filed in the Lead Case,
14 No. 19-30088 (DM).

15 **SECOND INTERIM FEE APPLICATION OF KPMG LLP FOR COMPENSATION FOR SERVICES
16 RENDERED AND REIMBURSEMENT OF EXPENSES AS INFORMATION TECHNOLOGY, RISK,
AND LEGAL SUPPORT CONSULTANTS TO THE DEBTORS FOR
THE PERIOD FROM JUNE 1, 2019 THROUGH SEPTEMBER 30, 2019**

17 Name of Applicant: KPMG LLP
18 Authorized to Provide Professional Services to: The above-captioned Debtors
19 Date of Retention: June 11, 2019 *nunc pro tunc* to
20 January 29, 2019
21 Period for which compensation and reimbursement is sought: June 1, 2019 through September 30, 2019
22 Amount of Compensation sought as
23 actual, reasonable, and necessary: \$ 4,318,137.02¹
24 Amount of Expense Reimbursement sought
as actual, reasonable, and necessary: \$ 316,097.43
25 This is a(n) X Interim Final Application

26 ¹ KPMG bills for services at discounted hourly billing rates as specified in the Retention Application dated May 21, 2019 and the Supplemental Retention
27 Application dated November 27, 2019. During the Compensation Period, KPMG's standard rates for hourly services rendered totaled \$8,033,116.50.
28 KPMG's services at the agreed upon discounted hourly rates result in a voluntary discount of fees in the amount of \$4,288,519.20 thus benefitting the
Chapter 11 estate by same amount. This does not contemplate the benefit to the estate with respect to the savings related to fixed fee services.

Prior Applications Filed:

| | | | Requested | | Approved | | Paid to Date | |
|------------|---------------|----------------------------|----------------|--------------|----------|----------|----------------|--------------|
| Date Filed | Docket Number | Period Covered | Fees | Expenses | Fees | Expenses | Fees | Expenses |
| 07/15/19 | 2992 | 01/29/19 to 05/31/19 | \$3,873,655.06 | \$132,148.61 | Pending | Pending | \$3,098,924.05 | \$132,148.61 |

ATTACHMENT A
TO FEE APPLICATION

| Professional Person | Position & Department | Total Billed Hours | Hourly Billing Rate | Total Compensation |
|------------------------|--------------------------------------|--------------------|---------------------|--------------------|
| Erik Lange | Partner - Advisory | 8.0 | \$ 850 | \$ 6,800.00 |
| Clay Gilge | Principal - Advisory | 3.5 | \$ 625 ² | \$ 2,187.50 |
| Juan Gonzalez III | Partner - Advisory | 4.9 | \$ 625 ³ | \$ 3,062.50 |
| Arun Mani | Principal - Advisory | 75.1 | \$ 500 | \$ 37,550.00 |
| Clay Gilge | Principal - Advisory | 22.5 | \$ 500 ³ | \$ 11,250.00 |
| Geno Armstrong | Principal - Advisory | 5.5 | \$ 500 | \$ 2,750.00 |
| Juan Gonzalez III | Partner - Advisory | 11.5 | \$ 500 ³ | \$ 5,750.00 |
| Reid Tucker | Principal - Advisory | 8.6 | \$ 500 | \$ 4,300.00 |
| Kelly Markgraf | Managing Director- Advisory | 0.7 | \$ 975 | \$ 682.50 |
| Jonathan White | Managing Director- Advisory | 130.5 | \$ 475 | \$ 61,987.50 |
| Tom Haslam | Managing Director- Advisory | 0.5 | \$ 475 | \$ 237.50 |
| Dina Vozniak | Director - Advisory | 3.0 | \$ 750 | \$ 2,250.00 |
| Scott Stoddard | Director - Advisory | 25.9 | \$ 550 ³ | \$ 14,245.00 |
| Tabitha Gaustad | Director - Advisory | 23.1 | \$ 550 | \$ 12,705.00 |
| Scott Stoddard | Director - Advisory | 171.5 | \$ 435 ³ | \$ 74,602.50 |
| Tom Schenk | Director - Advisory | 42.6 | \$ 435 | \$ 18,531.00 |
| Arthur Franke | Director - Advisory | 2.2 | \$ 435 | \$ 957.00 |
| Jeff Mahoney | Specialist Director - Analytics | 13.8 | \$ 435 | \$ 6,003.00 |
| Kyle McNamara | Director - Advisory | 117.9 | \$ 435 | \$ 51,286.50 |
| Mark Ehrhardt | Director - Advisory | 21.6 | \$ 435 | \$ 9,396.00 |
| Matt Broida | Director - Advisory | 320.2 | \$ 435 | \$ 139,287.00 |
| Monica Plangman | Associate Director - Bankruptcy | 48.2 | \$ 213 | \$ 10,242.50 |
| Jovelyn Baliclic-Durst | Manager - Advisory | 0.7 | \$ 475 | \$ 332.50 |
| Jeffrey Strong | Manager - Advisory | 1.0 | \$ 475 | \$ 475.00 |
| Daniel Smith | Manager - Advisory | 6.6 | \$ 475 | \$ 3,135.00 |
| David Ross | Manager - Advisory | 395.6 | \$ 400 | \$ 158,240.00 |
| Aldryn Estacio | Manager - Advisory | 133.3 | \$ 400 | \$ 53,320.00 |
| Eric Janes | Manager - Advisory | 29.8 | \$ 400 | \$ 11,920.00 |
| Gaurav Mathur | Manager - Advisory | 110.0 | \$ 400 | \$ 44,000.00 |
| Gaurav Thapan-Raina | Manager - Advisory | 364.0 | \$ 400 | \$ 145,600.00 |
| Jon Guth | Manager - Advisory | 58.0 | \$ 400 | \$ 23,200.00 |
| Kirk-Patrick Caron | Manager - Advisory | 34.7 | \$ 400 | \$ 13,880.00 |
| Raghav Saboo | Manager - Advisory | 1.3 | \$ 400 | \$ 520.00 |
| Rita Squalli Houssaini | Manager - Advisory | 161.2 | \$ 400 | \$ 64,480.00 |
| Yiwen Fu | Manager - Advisory | 4.5 | \$ 400 | \$ 1,800.00 |
| Mark Martin | Manager - Advisory | 190.6 | \$ 400 | \$ 76,240.00 |
| Phillip Prombo | Manager - Advisory | 45.3 | \$ 400 | \$ 18,120.00 |
| Kavita Malik | Lead Specialist (Manager) - Advisory | 26.2 | \$ 225 | \$ 5,895.00 |
| Rohit Nagdeo | Lead Specialist (Manager) - Advisory | 816.0 | \$ 225 | \$ 183,600.00 |
| Josh Conkel | Manager - Advisory | 136.2 | \$ 224 | \$ 30,508.80 |

² Rates differ due to services provided relating to different CWA's.

ATTACHMENT A TO FEE APPLICATION

(CONTINUED)

| Professional Person | Position & Department | Total Billed Hours | Hourly Billing Rate | Total Compensation |
|--------------------------|-------------------------------|--------------------|---------------------|--------------------|
| Manoj Thareja | Manager - Advisory | 188.0 | \$ 224 | \$ 42,112.00 |
| Celeste Campbell | Manager - Bankruptcy | 235.2 | \$ 163 | \$ 38,220.00 |
| Bhaskara Rama Bhaskara | Senior Specialist - Advisory | 872.0 | \$ 225 | \$ 196,200.00 |
| Kimberly Johnson | Senior Associate - Advisory | 45.0 | \$ 425 | \$ 19,125.00 |
| Rachael Graening | Senior Associate - Advisory | 13.5 | \$ 425 | \$ 5,737.50 |
| Stephen Greer | Senior Associate - Advisory | 10.5 | \$ 425 | \$ 4,462.50 |
| Cole Gallagher | Senior Associate - Advisory | 504.3 | \$ 325 | \$ 163,897.50 |
| Allison Smith | Senior Associate - Advisory | 56.3 | \$ 325 | \$ 18,297.50 |
| Anthony Henderson | Senior Associate - Advisory | 132.7 | \$ 325 | \$ 43,127.50 |
| Carlo Toribio | Senior Associate - Advisory | 299.4 | \$ 325 | \$ 97,305.00 |
| Cy Whitten | Senior Associate - Advisory | 198.2 | \$ 325 | \$ 64,415.00 |
| Daniel Elmlblad | Senior Associate - Advisory | 126.6 | \$ 325 | \$ 41,145.00 |
| Dom Gallo | Senior Associate - Advisory | 6.0 | \$ 325 | \$ 1,950.00 |
| Drew Esler | Senior Associate - Advisory | 26.8 | \$ 325 | \$ 8,710.00 |
| Farbod Farzan | Senior Associate - Advisory | 87.9 | \$ 325 | \$ 28,567.50 |
| Jason Weng | Senior Associate - Advisory | 176.2 | \$ 325 | \$ 57,265.00 |
| Juliana McMillan-Wilhoit | Senior Associate - Advisory | 7.0 | \$ 325 | \$ 2,275.00 |
| Marcus Xu | Senior Associate - Advisory | 416.0 | \$ 325 | \$ 135,200.00 |
| Matthew Bowser | Senior Associate - Advisory | 420.9 | \$ 325 | \$ 136,792.50 |
| Tanveer Abbas | Senior Associate - Advisory | 44.9 | \$ 325 | \$ 14,576.25 |
| Tia Mason | Senior Associate - Advisory | 104.0 | \$ 325 | \$ 33,800.00 |
| Tim Littman | Senior Associate - Advisory | 3.9 | \$ 325 | \$ 1,267.50 |
| Will Brennan | Senior Associate - Advisory | 85.4 | \$ 325 | \$ 27,755.00 |
| Adrian Irwin | Senior Associate - Advisory | 490.2 | \$ 325 | \$ 159,315.00 |
| Matthew Rice | Senior Associate - Advisory | 802.9 | \$ 225 | \$ 180,652.50 |
| Rob Villegas | Senior Associate - Advisory | 159.3 | \$ 225 | \$ 35,842.50 |
| Wendy Shaffer | Senior Associate - Bankruptcy | 47.5 | \$ 150 | \$ 7,125.00 |
| Christopher Wong | Associate - Advisory | 23.3 | \$ 325 | \$ 7,572.50 |
| Jonathan Boldt | Associate - Advisory | 21.1 | \$ 325 | \$ 6,857.50 |
| Michelle Yeung | Associate - Advisory | 35.0 | \$ 325 | \$ 11,375.00 |
| Bellamy Yoo | Associate - Advisory | 21.1 | \$ 275 | \$ 5,802.50 |
| Brian Wei | Associate - Advisory | 475.6 | \$ 275 | \$ 130,790.00 |
| Dennis Cha | Associate - Advisory | 463.8 | \$ 275 | \$ 127,545.00 |
| Fran Shammo | Associate - Advisory | 40.5 | \$ 275 | \$ 11,137.50 |
| Gustavo Garcia | Associate - Advisory | 273.8 | \$ 275 | \$ 75,295.00 |
| Jack Liacos | Associate - Advisory | 3.0 | \$ 275 | \$ 825.00 |
| Jeffrey Kwan | Associate - Advisory | 345.8 | \$ 275 | \$ 95,095.00 |
| Lucy Cai | Associate - Advisory | 507.0 | \$ 275 | \$ 139,425.00 |
| Preston Devaney | Associate - Advisory | 217.2 | \$ 275 | \$ 59,730.00 |
| Trent Anderson | Associate - Advisory | 332.7 | \$ 275 | \$ 91,492.50 |

ATTACHMENT A TO FEE APPLICATION

(CONTINUED)

| Professional Person | Position & Department | Total Billed Hours | Hourly Billing Rate | Total Compensation |
|--|------------------------|--------------------|---------------------|------------------------------|
| Juanita Garza | Associate - Bankruptcy | 370.7 | \$ 138 | \$ 50,971.25 |
| Aayush Bhatia | Associate - KGS | 206.2 | \$ 135 | \$ 27,837.00 |
| Bob Zhang | Associate - Advisory | 195.4 | \$ 135 | \$ 26,379.00 |
| Subtotal Hours and Fees at Discounted Rates | | 12,669.1 | | \$ 3,744,597.30 |
| Data Security Services (Fixed Fee) | | | | \$ 627,593.10 ³ |
| Legal Support Services (non-hourly fees) | | | | \$ 195,946.62 ⁴ |
| Endpoint Security Strategy Assessment (Fixed Fee) | | | | \$ 100,000.00 ⁵ |
| Subtotal Fees | | | | \$ 4,668,137.02 |
| Less Reduction in Fees in Anticipation of Change Order | | | | \$ (350,000.00) ⁶ |
| Total Fees Requested | | | | \$ 4,318,137.02 |
| Out of Pocket Expenses | | | | \$ 316,097.43 |
| Total Fees and Out of Pocket Expenses | | | | \$ 4,634,234.45 |
| Blended Hourly Rate (excludes Fixed Fee Hours) | | | \$295.57 | |

³ KPMG and the Debtors agreed to fixed-fee compensation for the Data Security Services. During the Compensation Period, KPMG requested the fixed-fee amount above for these services.

⁴ These fees represent the recurring monthly charges as detailed in Appendix C of the Legal Support Services Agreement and further detailed on Exhibit C3 in the monthly fee statements.

⁵ KPMG and the Debtors agreed to fixed-fee compensation for the Endpoint Protection Strategy Assessment Services. During the Compensation Period, KPMG requested the fixed-fee amount related to the completion of Phase 1 and Phase 2 of these services.

⁶ The Debtors and KPMG are in the process of documenting several adjustments in the scope of KPMG's services, which KPMG anticipates will include a termination of further work on Task 3 (Asset Management Services) together with an agreement that KPMG will charge \$915,000 in fees for Task 3. Although a change order has not yet been executed and presented to the court, in anticipation of such a change order KPMG reduced the fee request during the Compensation Period by \$350,000.

ATTACHMENT A TO FEE APPLICATION

(CONTINUED)

COMPENSATION BY PROJECT CATEGORY

| Project Category | Exhibit | Total Billed Hours | Total Fees Requested |
|---|----------------|---------------------------|-------------------------------|
| Asset Management Services | C1 | 7,895.4 | \$ 2,665,987.25 |
| Data Security Services | C2 | - | \$ 627,593.10 ⁷ |
| Legal Support Services | C3 | 7.9 | \$ 199,889.12 ⁸ |
| IT Software Services (Phase I) | C4 | 0.0 | \$ - |
| Enterprise Project Management Tools Implementation Services | C5 | 0.0 | \$ - |
| Risk Assessment Services | C6 | 0.0 | \$ - |
| Retention Services | C7 | 13.5 | \$ 2,383.75 |
| Fee Application Preparation Services | C8 | 691.7 | \$ 105,777.00 |
| IT Software Services (Phase II) | C9 | 2,676.4 | \$ 602,190.00 ⁹ |
| Quanta Invoice Review Services | C10 | 626.4 | \$ 162,879.50 |
| Data Security Loan Staff Services | C11 | 188.0 | \$ 42,112.00 |
| Endpoint Protection Strategy Assessment Services | C12 | - | \$ 100,000.00 ¹⁰ |
| Data Security CCPA Support Staff Services | C13 | 331.6 | \$ 56,887.80 |
| Tax and Accounting On-Call Services | C14 | 11.0 | \$ 9,050.00 |
| Permitting Spend Analysis Services | C15 | 227.1 | \$ 93,387.50 |
| Subtotal | | 12,669.1 | \$ 4,668,137.02 |
| Less Reduction in Fees in Anticipation of Change Order | | | \$ (350,000.00) ¹¹ |
| Total Fees Requested | | | \$ 4,318,137.02 |

⁷ KPMG and the Debtors agreed to fixed-fee compensation for the Data Security Services. During the Compensation Period, KPMG requested the fixed-fee amount above for these services.

⁸ Fee amount composed of hourly fees and recurring hosting fees as detailed in Appendix C of the Legal Support Services Agreement and further detailed on Exhibit C3 in the monthly fee statements.

⁹ Includes previously deferred fees associated with services which were pending court approval. These services were approved in the Supplemental Retention Order [D.I. 5077] filed on December 11, 2019. The deferred fees were included in the August fee statement filed on January 21, 2020.

¹⁰ KPMG and the Debtors agreed to fixed-fee compensation for the Endpoint Protection Strategy Assessment Services. During the Compensation Period, KPMG requested the fixed-fee amount related to the completion of Phase 1 and Phase 2 of these services.

¹¹ The Debtors and KPMG are in the process of documenting several adjustments in the scope of KPMG's services, which KPMG anticipates will include a termination of further work on Task 3 (Asset Management Services) together with an agreement that KPMG will charge \$915,000 in fees for Task 3. Although a change order has not yet been executed and presented to the court, in anticipation of such a change order KPMG reduced the fee request during the Compensation Period by \$350,000.

1 ATTACHMENT A TO FEE APPLICATION

2 (CONTINUED)

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4 EXPENSE SUMMARY

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| Category | Amount |
|-----------------------|-----------------------------------|
| Airfare | \$ 103,411.93 |
| Lodging | \$ 158,799.18 |
| Meals | \$ 17,177.51 |
| Ground Transportation | \$ 36,708.81 |
| Miscellaneous | \$ - |
| Total Expenses | \$ 316,097.43¹² |

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27 ¹² Includes previously deferred expenses associated with services which were pending court approval. These services were
28 approved in the Supplemental Retention Order [D.I. 5077] filed on December 11, 2019 and the corresponding deferred
expenses were included in the August fee statement which was filed on January 21, 2020.

1 UNITED STATES BANKRUPTCY COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN FRANCISCO DIVISION

4 In re:

5 PG&E CORPORATION,

6 - and -

7 PACIFIC GAS AND ELECTRIC
8 COMPANY,

9 Debtors.

Bankruptcy Case

No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

- 10 ☐ Affects PG&E Corporation
11 ☐ Affects Pacific Gas and Electric Company
12 ☒ Affects both Debtors

13 ** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

14 **SECOND INTERIM FEE APPLICATION OF KPMG LLP FOR COMPENSATION FOR SERVICES
15 RENDERED AND REIMBURSEMENT OF EXPENSES AS INFORMATION TECHNOLOGY, RISK,
16 AND LEGAL SUPPORT CONSULTANTS TO THE DEBTORS FOR
THE PERIOD FROM JUNE 1, 2019 THROUGH SEPTEMBER 30, 2019**

17 KPMG LLP, (“KPMG”) as information technology, risk, and legal support consultants to the
18 above-captioned debtors and debtors-in-possession (the “Debtors”), files this Second Interim Fee
19 Application (the “Interim Fee Application”), pursuant to section 330 and 331 of title 11 of the United
20 States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the
21 “Bankruptcy Rules”), and the Local Rules of Bankruptcy Practice and Procedure of the United States
22 Bankruptcy Court for the Northern District of California (the “Local Rules”). By this Interim Fee
23 Application, KPMG seeks the allowance of compensation for professional services performed and
24 actual and necessary expenses incurred by KPMG for the period from June 1, 2019 through and
25 including September 30, 2019 (the “Compensation Period”), in the amount of \$4,634,234.45 and
26 respectfully represents:
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Background

A. On January 29, 2019 (the “Petition Date”) each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of title 11 of the Bankruptcy Code. On February 12, 2019, the Acting United States Trustee for Region 3 appointed an official committee of unsecured creditors (the “Creditors’ Committee”).

B. By this Court’s Order Authorizing the Debtors to Retain and Employ KPMG LLP as Information Technology, Risk, and Legal Consultants Nunc Pro Tunc to January 29, 2019, dated June 11, 2019 [Docket No. 2503] (the “Retention Order”), the Debtors were authorized to compensate KPMG in accordance with the procedures set forth in section 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and such other procedures as were fixed by order of the Court. A copy of the Retention Order is attached hereto as Exhibit D.

C. By this Court’s Order Pursuant to 11 U.S.C. §§ 327(a) and 328(a) and Fed. R. Bankr. P. 2014(a) and 2016 Amending the Scope of the Retention of KPMG LLP as Information Technology, Risk, and Legal Consultants to the Debtors Effective *Nunc Pro Tunc* to April 8, 2019, dated December 11, 2019 [Docket No. 5077] (the “Supplemental Retention Order”), the Debtors were authorized to compensate KPMG in accordance with the procedures set forth in section 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and such other procedures as were fixed by order of the Court. A copy of the Supplemental Retention Order is attached hereto as Exhibit E.

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Jurisdiction

D. This court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. §157(b)(2). Venue of this Chapter 11 case in this district is proper under 28 U.S.C. §§ 1408 and 1409.

1 **Fee Application Preparation**

- 2 • The billing procedures required by the US Trustee Guidelines differ from KPMG's normal
3 billing procedures and as such, the Local Rules and the Interim Compensation Order entered in
4 these cases have required significant effort to inform the timekeepers of their responsibilities,
5 compile the detailed time and expenses entries, begin preparation of the detailed and summary
6 schedules of fees and expenses incurred, and begin drafting the schedules included in the
7 Interim fee Applications.

8 **IT Software Services (Phase II)**

- 9 • Continued to assist the Debtors with their migration from Siteminder to Ping (information
10 technology software platforms).

11 **Quanta Invoice Review Services**

- 12 • Began to perform an analysis of the Quanta Service Inc. payment applications related to the
13 performance of construction management services, which have been submitted to the Debtors.

14 **Data Security Loan Staff Services**

- 15 • Provided the Debtors with a staff member to support the Debtors' personnel with respect to
16 their security initiatives.

17 **Endpoint Protection Strategy Assessment Services**

- 18 • Began assisting the Debtors' with the Endpoint Security Strategy Assessment and development
19 of a plan to implement changes to that strategy.

20 **Data Security CCPA Support Staff Services**

- 21 • Assisted the Debtors' Cybersecurity Risk and Strategy organization in performing data
22 protection activities as they relate to CCPA compliance activities.

23 **Tax and Accounting On-Call Services**

- 24 • Provided tax and accounting advice in response to inquiries from the Debtors.

25 **Permitting Spend Analysis Services**

- 26 • Began to assist the Debtors' with analyzing payments to certain authorities related to notices of
27 violation for non-conformance with encroachment permit requirements.

28 **H.** Per the Data Security Services Agreement executed on March 20, 2019, KPMG
and the Debtors agreed to a Fixed Fee arrangement in the amount of \$2,705,013.50. Payment of the
Fixed Fee is dependent on an iterative process by which stages of the project go through a formal
review, including a detailed walkthrough, modifications (if required) and formal acceptance by the

1 client. During the Compensation Period, KPMG requested fees for services rendered through
2 September 30, 2019 totaling \$627,593.10 as approved by the Debtors.

3 **I.** KPMG and the Debtors agreed to a Fixed Fee arrangement for the Endpoint
4 Protection Strategy Assessment Services in the amount of \$150,000.00, inclusive of Phases 1 – 3, with
5 compensation for the completion of each phase totaling \$50,000.00. During the Compensation Period,
6 KPMG requested the fixed fee amount relating to the completion of Phase 1 and Phase 2 of these
7 services totaling \$100,000.00.
8

9 **J.** During the Compensation Period, KPMG billed the Debtors for non-fixed fee
10 time expended by professionals based on hourly rates ranging from \$135 to \$975 per hour. The rates
11 reflected in this Interim Fee Application for non-fixed fee services represent approximately a 10% -
12 78% discount from KPMG's standard rates. Of the aggregate time expended, 139.6 hours were
13 expended by partners and principals, 921.7 hours were expended by managing directors, directors and
14 associate directors, 2,938.2 hours were expended by managers, and 8,669.6 hours were expended by
15 senior associates and associates. KPMG's blended hourly rate for non-fixed fee services provided
16 during the Compensation Period is \$295.57.
17

18 **K.** In addition to Attachment A, a summary of the hours and fees incurred by
19 professional and category during the Compensation Period is annexed hereto as Exhibit A and Exhibit
20 B, respectively. KPMG maintains contemporaneous records of the time expended for the non-fixed
21 fee professional services and expenses related hereto performed in connection with these chapter 11
22 cases.
23

24 **L.** The fees applied for herein are based on the usual and customary fees KPMG
25 charges to advisory services clients and are commensurate with the usual and customary rates charged
26 for services performed.
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1 **M.** KPMG respectfully submits that the amounts applied for herein for professional
2 services rendered on behalf of the Debtors in these cases to date are fair and reasonable given: (a) the
3 time expended; (b) the nature and extent of the services performed at the time at which such services
4 were rendered; (c) the value of such services; and (d) the costs of comparable services other than in
5 these chapter 11 cases.

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7 **N.** The time and labor expended by KPMG during the Compensation Period has
8 been commensurate with the size and complexity of these cases. In rendering these services, KPMG
9 has made every effort to maximize the benefit to the Debtors' estates, to work efficiently with the other
10 professionals employed in these cases, and to leverage staff appropriately in order to minimize
11 duplication of effort.

12 **O.** During the Compensation Period, KPMG provided a focused range of
13 professional services as requested by the Debtors. KPMG respectfully submits that these services: (a)
14 were necessary and beneficial to the successful and prompt administration of these cases; and (b) have
15 been provided in a cost efficient manner.

16
17 **P.** Except as set forth in the Retention Order, no promises concerning
18 compensation have been made to KPMG by any firm, person or entity.

19
20 **Summary of Actual and Necessary Expenses During the Compensation Period**

21 **Q.** As set forth on Exhibit C, KPMG seeks reimbursement of actual and necessary
22 expenses incurred by KPMG during the Compensation Period in the aggregate amount of
23 \$316,097.43¹³ expenses. These expenses are reasonable and necessary in light of the size and
24 complexity of the Debtors' cases.

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27 ¹³ Includes previously deferred expenses associated with services which were pending court approval. These services were
28 approved in the Supplemental Retention Order [D.I. 5077] filed on December 11, 2019 and the corresponding deferred
expenses were included in the August fee statement which was filed on January 21, 2020.

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1 Dated: February 4, 2020

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3 Respectfully submitted,

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